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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000995

SIPDIS

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TAGS: [PGOV](#) [NP](#) [GON](#)

SUBJECT: PM'S PARTY REVOLTS ON EMERGENCY VOTE

REF: KATHMANDU 968

Classified By: AMB. MICHAEL E. MALINOWSKI. REASON: 1.5(B,D).

SUMMARY

[11.](#) (C) At a May 22 Central Working Committee (CWC) meeting, members of the ruling Nepali Congress voted to direct Prime Minister Sher Bahadur Deuba to withdraw his proposal for a six-month extension of the state of national emergency (Reftel). At COB the CWC decision was being debated in a Parliamentary Party meeting where Deuba appears to have more support. If Deuba chooses to defy the CWC directive and pursue extension of the emergency tomorrow, he (and members of his Cabinet) could be expelled from the party. The move prompts a direct and potentially destructive show-down between Deuba and his long-time rival, former PM and Nepali Congress President G.P. Koirala, one day before debate on the extension of the emergency begins in Parliament May 23. End summary.

CWC MEETING

[12.](#) (SBU) At a May 22 meeting chaired by former Prime Minister and Party President G.P. Koirala, members of the Central Working Committee (CWC) of the ruling Nepali Congress Party decided to instruct Prime Minister Deuba to withdraw from the Parliamentary Secretariat his Government's proposal to extend the state of national emergency for an additional six months (Reftel). Only seven members of the CWC, including the PM himself and several Ministers, voted against the decision. Debate on extension of the emergency is set to begin May 23. The emergency will expire May 26 unless a two-thirds majority in Parliament votes to extend it.

PARLIAMENTARY PARTY MEETING

[13.](#) (C) The CWC meeting was immediately followed by a Parliamentary Party meeting that was continuing well after COB May 22. According to MP Narayan Singh Pun, support for the two rival camps is more evenly balanced in the Parliamentary Party Committee; he estimated that Deuba might even have a slight edge over Koirala. Neither side seems prepared to back down, Pun said. If the Parliamentary Party meeting is unable to come to a decision about the CWC directive, the matter will likely be referred to the Cabinet.

LETTER RILES PM

[14.](#) (C) The showdown in the CWC meeting was foreshadowed a day previously when Nepali Congress General Secretary Sushil Koirala sent Deuba a letter demanding "clarification" of his bid to extend the emergency. Before a May 21 briefing on counter-insurgency and conflict mitigation efforts by USAID consultants Dr. Scott Palmer and Dr. Tom Marks at the PM's residence, Deuba complained indignantly to the Ambassador about the letter, which alleged the PM had bypassed the party in putting the proposal to extend the emergency before the Parliamentary Secretariat. Such charges were patently false, Deuba said, adding that he himself had gone to the Party President's house upon his return from the U.S. and the U.K. to brief him on his visit and to consult with him about extending the emergency. The former PM had raised no objection at the time, according to Deuba, and had even seemed sympathetic to the need for the extension. Deuba viewed the letter as just another example of G.P.'s numerous attempts to gain political mileage at his rival's expense. The letter further annoyed Deuba because it implied that the Army Chief "pressured" the PM to call for an extension, he noted. The Chief of Army Staff, present at the Ambassador's meeting with the PM, caustically corrected Deuba by saying the Nepali word actually translated as "forced." That was not at all true, Deuba maintained; the security chiefs had only briefed him on the situation and left him to make his

own decision.

COMMENT

15. (C) If Deuba does indeed have a majority among Nepali Congress MPs, the Koirala camp will be unable to bring a vote of no confidence against the PM. At the same time, if Deuba defies the CWC and continues pursuing extension of the emergency, he (and members of his Cabinet) risk expulsion from the party, which could have serious implications for the longevity of his government. With both sides apparently unprepared to back down, none of the possible outcomes of this grim scenario--the dissolution of Parliament, a split in the Party--is particularly appealing. Just back from highly visible visits to the U.S. and U.K., with pledges of international support to defeat the Maoists in hand, Deuba was riding high and likely anticipated little difficulty in getting the emergency--which most sectors of society agree has done much to improve security in the country--extended. Koirala has been angling to replace his long-time rival almost since the day Deuba got the prime ministership from him last July. Why Koirala should pick this particular moment to force a confrontation--just as the Government seems to be getting on track against the insurgency--might defy common logic but makes perfect sense to those who know him. Koirala's divisiveness might undermine the national interest but serves his personal interest quite well.
MALINOWSKI